

Full capital account convertibility

603. SHRI SYED AZEEZ PASHA:
SHRI YASHWANT SINHA:
SHRI SHATRUGHAN SINHA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Prime Minister has announced India's intent to move to fuller capital account convertibility;

(b) whether as a follow up to this announcement the RBI has set up a committee for this purpose and another committee to examine the report of this committee; and

(c) the latest position in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Prime Minister had in a speech at Reserve Bank of India (RBI) in March 2006 mentioned the following: "Given the changes that have taken place over the last two decades, there is merit in moving towards fuller capital account convertibility within a transparent framework. I will therefore request the Finance Minister and the Reserve Bank to revisit the subject and come out with a roadmap based on current realities".

(b) and (c) The RBI appointed, on March 20, 2006, a Committee to set out the Roadmap Towards Fuller Capital Account Convertibility. The Report of the said Committee was submitted to the RBI on July 31, 2006. A Working Group has been constituted by the RBI to examine the policy issues and provide an analysis on the recommendations. The Reserve Bank has constituted an Internal Task Force to re-examine the extant regulations and remove the operational impediments in the path of liberalization already in place, which will make its recommendations to the RBI on an ongoing basis.

Short term credit to farmers

604. SHRI YASHWANT SINHA:
SHRI SHATRUGHAN SINHA:
SHRI JAI PARKASH AGGARWAL:

Will the Minister of FINANCE be pleased to state:

(a) whether he has announced in his budget speech on 28th February, 2006 that Government propose to ensure that the farmers receive short